

VZCZCXYZ0000
RR RUEHWEB

DE RUEHKA #0577/01 1000541
ZNY CCCCC ZZH
R 100541Z APR 07
FM AMEMBASSY DHAKA
TO RUEHC/SECSTATE WASHDC 3757
INFO RUEHLM/AMEMBASSY COLOMBO 7867
RUEHIL/AMEMBASSY ISLAMABAD 1590
RUEHNE/AMEMBASSY NEW DELHI 9799
RUEHKT/AMEMBASSY KATHMANDU 9025
RUEKDIA/DIA WASHDC
RHHMUNA/CDR USPACOM HONOLULU HI

C O N F I D E N T I A L DHAKA 000577

SIPDIS

SIPDIS

E.O. 12958: DECL: 04/08/2017
TAGS: [PREL](#) [KCRM](#) [BG](#)
SUBJECT: ANTI-CORRUPTION DRIVE - THE FIRST 90 DAYS

REF: A. DHAKA 476

- [1](#)B. DHAKA 459
- [1](#)C. DHAKA 411
- [1](#)D. DHAKA 329

Classified By: Deputy Chief of Mission Geeta Pasi, reason 1.4(d)

[1](#)1. (C) Corruption Top Priority: The Caretaker Government appointed following the State of Emergency declared January 11 made combatting corruption the cornerstone of its promise to prepare for and conduct free and fair elections. In its first 90 days, the government has had some notable successes and has undertaken important institutional reforms. Its record on corruption cases remains a work in progress, however, as it conducts the preliminary investigations prior to formal charges.

[1](#)2. (C) Action on Longstanding Issues: The government moved swiftly to adopt the UN Convention Against Corruption, depositing the instruments of accession in mid-February. The government also engineered the resignations of the existing commissioners of the previously moribund Anti-Corruption Commission (ACC). New commissioners led by LTG (Ret'd) Hasan Masshud Chowdhury were appointed February 22 (Ref D) and immediately pursued an ambitious agenda of investigations. A National Coordinating Commission was subsequently established with retroactive effect to coordinate taskforces operating country-wide to investigate corruption, money laundering, and similar white collar crimes (Ref C). On March 25, the ACC was granted expanded authority to freeze and seize assets and an internal audit committee was established to police allegations of corruption within the ACC. Further amendments to expand the ACC's authority are under review.

[1](#)3. (C) Investigations Opened: Acting under existing authority, the ACC named 50 individuals alleged to have acquired unexplained wealth and demanded they file statements of personal worth. The named individuals were largely prominent politicians (including former ministers of parliament and cabinet ministers) from the Bangladesh Nationalist Party, but also included Awami League politicians and some prominent business leaders. Many of these individuals were arrested at the ACC when they presented their financial statements. A second list of 50 individuals was leaked to the press. The accusations against some of these individuals (including the President of the Bangladesh Chamber of Industries) were not always obvious, creating concern among business leaders about the planned scope of the ACC's anti-corruption investigations (Ref B). The ACC defends the investigations as well founded on credible information (Ref A).

14. (C) Jailed on Other Charges: Many of the individuals named as suspects by the ACC are in jail on comparatively minor charges such as unregistered guns and illegal alcohol found on the suspects' private property. Although BNP Joint General Secretary Tarique Rahman (son of former Prime Minister Khaleda Zia) is widely believed corrupt, he was jailed on an extortion charge and is yet to be charged with corruption. The ACC has not filed charge sheets (akin to an indictment under U.S. law) against any of the suspects it is investigating, although it has announced the first cases will be filed by April 15.

15. (C) Questions Remain: Despite the flurry of activity, questions remain about the ability of the ACC to prosecute its cases to a successful conclusion. To address a shortage of trained prosecutors, the ACC is contracting with prominent private attorneys to conduct its prosecutions. Concerned over the quality of the general municipal courts, the government is forming special panels from the judiciary to hear the corruption cases. ACC Chairman Masshud recently expressed concern over the lack of investigators. The ACC is also hindered by its organizational structure -- Masshud is moving to double the ACC's staff and address weaknesses in its operations.

16. (C) Donor Assistance: The Asian Development Bank (ADB) has been the lead multilateral donor assisting the government with the formation and operation of the ACC and will likely provide significant training focused on forensic accounting investigations and information technology. We have also offered support to combat corruption and apprised the government of the wide range of existing programs conducted by our USAID Mission. The government, however, has yet to respond to our offer to discuss other possible areas of assistance.
BUTENIS